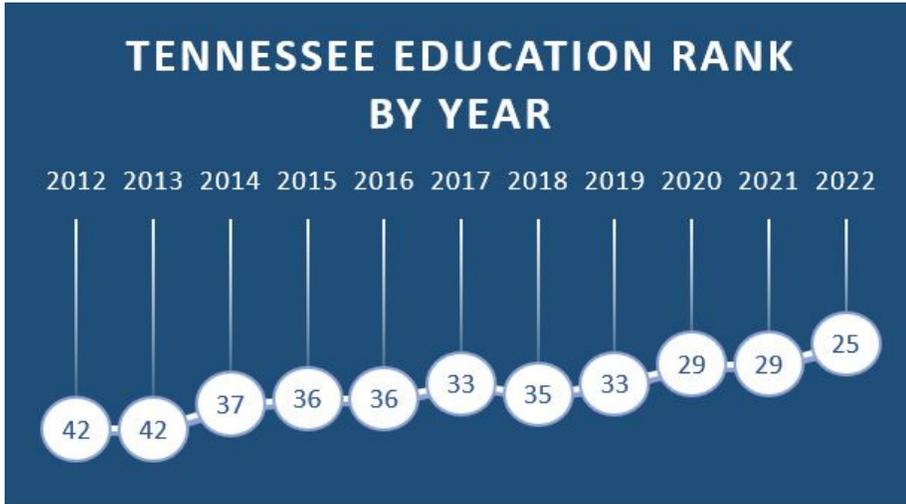


Ensure Tennessee's historic investment in education is not diluted over time.

Recommendation

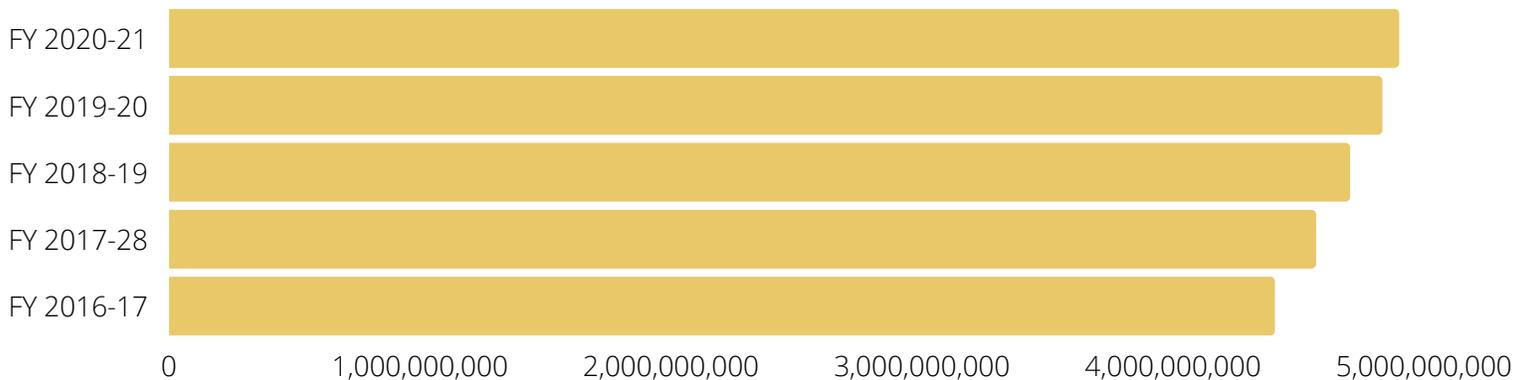
Include an automatic inflation adjuster in the new education funding formula.

Tennessee added an additional recurring state investment of **\$1 billion starting in the 2023-24 school year.**¹



Among all of the domains of child well-being: Economics, Education, Health and Family and Community, Education has been the domain Tennessee has consistently seen improve over the last decade. Resulting in **Education being Tennessee's strongest domain in the 2022 KIDS COUNT rankings.**²

Tennessee's investment in education has continually increased, even during economic downturns.³



One observation made in Resource Mapping every year is the continued increase in education funding. Tennessee's per-student expenditures have historically been low compared to the rest of the country, but fully funding the BEP required increases every year to keep up with the cost of inputs the formula measures. Because it measures the cost of these inputs each year, the BEP formula offered an automatic inflation adjustment of a sort. This was especially noticeable during recessions, when other states often cut education spending. This strength of the BEP formula should not be lost in the new TISA funding structure. Tennessee's significant new investment in education will quickly lose its value if inflationary adjustments are not made every year. Making such adjustments automatic prevents the threat of these losses and makes for a more stable funding formula.